

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION INTO ALLEGED)	
UNAUTHORIZED CONSTRUCTION BY)	CASE NO.
WOOD CREEK WATER DISTRICT)	89-223

ORDER TO SHOW CAUSE

On June 11, 1987, Wood Creek Water District ("Wood Creek") applied to the Commission for approval to acquire land and construct a district office at an estimated cost of approximately \$250,000 (Case No. 9949).¹ An informal conference was held at the offices of the Commission, and the Commission subsequently requested additional information and justification for the proposed construction. On October 6, 1987, Wood Creek notified the Commission that it had decided not to build an office building at this time and requested the case be dismissed. The Commission dismissed the case on October 15, 1987.

Glenn House, Randy Schott, and Carl Keller are the chairman, secretary, and treasurer of Wood Creek, respectively. Peggy Brown is the district manager.

The Commission finds from the affidavit of Ghasem Pour-Ghasemi, which is attached hereto as Exhibit "A," that a

¹ Case No. 9949, The Application of the Wood Creek Water District of Laurel County, Kentucky, For Approval of the Proposed Construction and Financing.

prima facie showing has been made that Wood Creek has begun the construction of facilities without obtaining a certificate from the Commission that public convenience and necessity require such construction, in violation of the provisions of KRS Chapter 278. The Commission further finds that a prima facie showing has been made that Glenn House, Randy Schott, Carl Keller, and Peggy Brown aided or abetted the above violation of the provisions of KRS Chapter 278.

IT IS THEREFORE ORDERED that:

1. Glenn House, Randy Schott, Carl Keller, and Peggy Brown shall submit to this Commission individual written responses to the allegations contained herein within 20 days of the date of this Order.

2. Glenn House, Randy Schott, Carl Keller, and Peggy Brown shall appear at a hearing scheduled for September 26, 1989 at 1:30 p.m., Eastern Daylight Time, in Hearing Room No. 1 at 730 Schenkel Lane, Frankfort, Kentucky, and be prepared to show cause why they should not be penalized pursuant to KRS 278.990 for violating provisions of KRS Chapter 278, including KRS 278.020 and KRS 278.300.

In an effort to narrow the issues in this case and to discuss settlement, an informal conference will be held in the Commission's offices at Frankfort, Kentucky, on August 31, 1989 at 1:30 p.m., Eastern Daylight Time.

Done at Frankfort, Kentucky, this 15th day of August, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

AFFIDAVIT

COMMONWEALTH OF KENTUCKY)

) S.S.

COUNTY OF FRANKLIN)

The Affiant, Ghasem Pour-Ghasemi, being duly sworn, states the following:

My name is Ghasem Pour-Ghasemi and I am employed as an engineer with the Kentucky Public Service Commission.

On June 11, 1987, Wood Creek Water District ("Wood Creek") applied to the Commission for approval of acquisition of 2 1/2 acres of land along Daniel Boone Parkway at a price of \$50,000 per acre to construct a district office at a cost of an additional \$165,000.

At the request of Ms. Peggy Brown, district manager for Wood Creek, Commission Staff scheduled an informal conference for July 20, 1987. During the conference, Staff questioned Wood Creek about land price and the amount of space allocated for each employee.

On August 3, 1987, the Commission requested additional information and justification for the proposed construction. This information was required to be filed by August 31, 1987.

On October 6, 1987, Ms. Brown notified the Commission that Wood Creek had decided not to build an office building at this time and requested the dismissal of this case. The Commission dismissed the case on October 15, 1987.

On June 21, 1989, Mr. George Allison of the Public Service Commission staff told me that when he stopped by Wood Creek they

had a new office building. On July 6, 1989, I visited Wood Creek and took several pictures of the new office building. The building is located on the same site as was proposed in Case No. 9949.

I asked Ms. Brown about the total cost for the land, building, and the way it was financed. She stated that the total costs have not been determined and the commissioners of Wood Creek would have to answer how it is financed.

FURTHER THE AFFIANT SAYETH NOT

Ghasem Pour-Ghasemi

Ghasem Pour-Ghasemi

COMMONWEALTH OF KENTUCKY

COUNTY OF FRANKLIN

Subscribed and sworn to before me by Ghasem Pour-Ghasemi this
8th day of August, 1989.

Mary Frances Bateman

Notary Public

My Commission Expires: Nov. 30, 1992